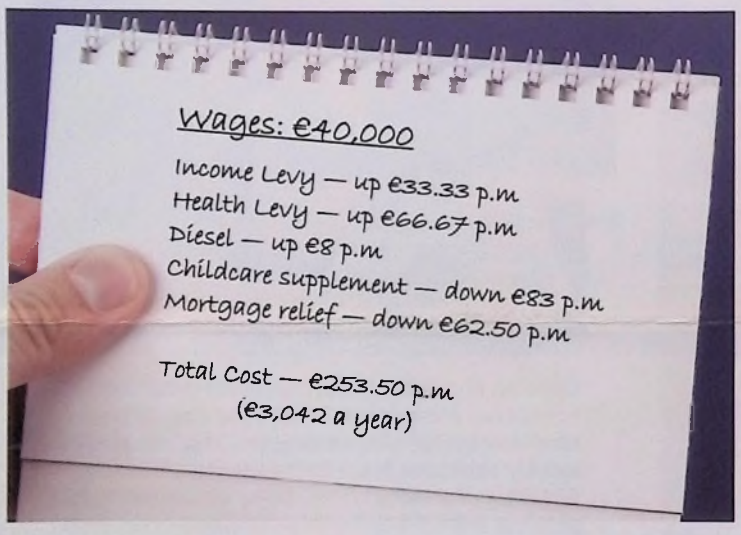
Róisín Shortall TD

Keeping in Touch…

April Budget 2009

John Redmond, Finglas Area Representative working with Róisín. Please see back for contact details for John.

Counting the Cost of the Budget


Wages: €40,000
Income Levy — up €33.33 p.m
Health Levy — up €66.67 p.m
Diesel — up €8 p.m
Childcare supplement — down €83 p.m
Mortgage relief — down €62.50 p.m
Total Cost — €253.50 p.m
(€3,042 a year)

The April Budget was probably the harshest ever in the history of the State. Everyone suffered, but it was particularly harsh on families with young children and on single income families. As the above example shows, many of these families stand to lose over €3000 a year as a result of the Budget measures. Many families will lose even more.

It is galling that the easy targets were again hit hard while the banks receive more and more assistance from the State.

Most worryingly, there is still no strategy for jobs. Taking so much money out of people's pockets will surely worsen the unemployment situation and add even more costs to the State.

This newsletter sets out the principal changes that were introduced by the Budget. Many of the finer details have yet to be announced so if you have any questions on how the changes will affect you, please get in touch.

Fairer ways Fianna Fáil could have raised millions (but didn't)

Focus on jobs and save €21,000 for every job created/saved

Cut special pension reliefs for company directors and very rich individuals (€300 M — at least)

Phase out mortgage interest relief for landlords (€700 M)

Introduce a new third rate of tax of 48% on individual incomes over €100,000 (€435 M)

Make the 6,000 Tax Exiles pay their fair share

Use the €1 Billion raised through the bank guarantee rather than just keeping it on deposit

Abandon decentralisation (€57M)

Contacts for Róisín: Tel: 618 3593 (o), 837 0563 (h)
E: roisin.shortall@oireachtas.ie or write to Dáil Eireann, Dublin 2

Labour

Income Levy

Income levy rates have been doubled and the thresholds reduced. The new rates and bands are as follows:

Up to €15,028 ..... no levy payable
€15,028 to €75,036..... 2% on all income
€75,037 to €174,980..... 4% on balance
€174,981 and over..... 6% on balance

Remember, you don't have to pay this levy if you have a full medical card. There are also some exemptions for some over 65yrs. Please call me for details.

Health Levy

The health levy rates have doubled to 4% and 5%. The new rates and bands are as follows:

Up to €26,000..... ..... no levy payable
€26,001 to €75,035... ..... 4% on all income
€75,036 and over..... ..... 5% on balance

Remember, you don't have to pay this levy if you have a full medical card, if you get a widow's payment, if you are over 70 or if you are getting certain other welfare payments.

Public Service Pension Levy

A new arrangement was announced for the public sector pension levy. The new rates and bands are as follows:

- **First €15,000 exempt**
- **5% on next €5,000 of earnings,**
- **10% on earnings between €20,000 and €60,000 and**
- **10.5% on earnings above €60,000.**

PRSI Ceiling

Those with an income over €52,000 who are already paying PRSI up to that level will now have to pay PRSI up to €75,036.

Early Childcare Supplement

The Early Childcare Supplement monthly payment has been halved to €41.50 per child per month with effect from 1 May 2009. It will be abolished at the end of 2009.

The Government says it will be replaced in January 2010 with a pre-school Early Childhood and Education Scheme for all children between the ages of 3 years 3 months and 4 years 6 months (as at 1st September). A capitation grant will be paid to service providers who provide pre-school services.

Children enrolled in playschools will receive free pre-school provision of 3 hours per day, 5 days each week over a 38 week year. This equates to a weekly capitation grant to the service provider of €64.50 and parents with children enrolled in these services will not be charged. Children enrolled in full- or part-time childcare services will receive free pre-school provision of 2 hours and 15 minutes per day, five days a week over a 50 week period. This equates to a weekly capitation grant to the service of €48.50, with parents paying for their childcare net of this amount.

The new service will start in January 2010 next year, but thereafter the starting date for new entrants will be September 1st each year.

A helpline has been established to answer queries from parents and childcare providers. The number is 1890-303039.

Child Benefit

The Government has announced its intention to either means-test or tax child benefit from the start of next year. It hasn't yet given details on how exactly this will work.

Mortgage Interest Relief

Mortgage Interest relief will now only be available for the first seven tax years from the date on which a mortgage is taken out. This means that any taxpayer who has received mortgage interest relief for more than 7 tax periods will no longer be eligible for such relief on that property from 1 May 2009.

Relief will continue to be available on the interest paid for the first seven years of any new qualifying loans taken out after 1 May 2009. The current rate for such taxpayers is 15% on a maximum interest amount of €3,000 p.a. for a single person or €6,000 p.a. for a married couple or widowed, subject to paying sufficient interest to avail of the relief.

The Minister said he intended abolishing mortgage interest relief altogether at some stage in the future but gave no further details. A number of questions remain unanswered on this. If you have a query let me know.

Taxes on Inheritance

Inheritance Tax (Capital Acquisitions Tax) has increased to 25% and the thresholds have been decreased by 20%.

Taxes on Savings and Investments

DIRT tax has been increased to 25%, while taxes on life assurance policies and on investment funds have been increased to 25% and 28% respectively. The increased rates apply to payments, including deemed payments, made from midnight on 7 April 2009.

The existing 2% levy on non-life insurance premiums has increased to 3% and a new levy of 1% on life assurance policies was introduced.

Christmas Bonus

Regrettably, the Government announced that no Christmas bonus will be paid this year to pensioners and welfare recipients. Effectively, this means that their income has been reduced by 2%.

Security Scheme for the Elderly

The Government has suspended all new applications for the Security Scheme for the Elderly. This scheme provided older people with personal alarms, security lighting, door locks etc, and was operated by voluntary groups around the country. It is really shameful that the Government has cut this valuable service.

The Banks

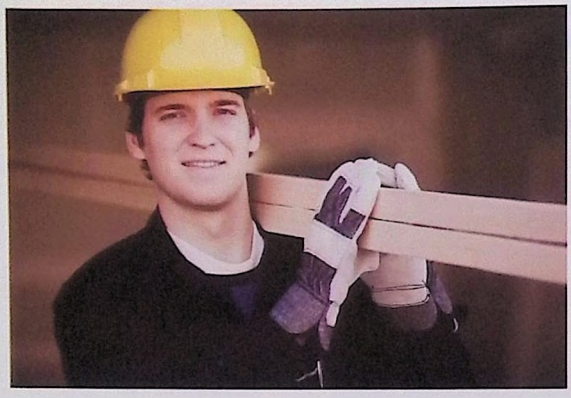
These Budget cutbacks are taking place, mainly because of Fianna Fáil's mismanagement of the economy. They allowed the property bubble to happen and now thousands of young families are lumbered with huge mortgages. The Government did nothing to stop the greedy property developers or the irresponsible lending by the banks. That is why the banking crisis here is far worse than in other countries and why we have big problems in our economy.

The Government guaranteed the banks with taxpayers' money but didn't sack the bankers. Now they have set up the National Asset Management Agency to take over all of the banks' bad debts. The developers must not be let off the hook and must be pursued for their big loans. The banks must be able to lend to small businesses again so that we don't lose even more jobs. However, the banks must not profit at taxpayers' expense.

Absolute openess and transparency are now needed in dealing with developers' bad debts and with the banks. The taxpayer must not be ripped-off any longer!

Róisín Shortall T.D.— Keeping in Touch, April Budget 2009

Back to Work Enterprise Allowance



Changes have been made to the Back to Work Enterprise Allowance scheme to allow more people to qualify. This scheme allows someone to set up their own business and to keep all or part of their social welfare payment for a time. If you have received statutory redundancy or if you have an entitlement to Jobseekers Benefit and have more than two years of credits, you can qualify immediately. If you have been unemployed for longer than a year and have an entitlement to Jobseekers Allowance, then you may also now qualify.

Back to Education Allowance

There have also been slight improvements made to the Back to Education Allowance scheme. This scheme allows someone to go back to education and keep all or part of their social welfare payment for a number of years. If you are unemployed for longer than three months you can now avail of this scheme to take up a second level course. If you have been unemployed for nine months or more, you can, in some cases, qualify to pursue a third level course.

Training Schemes

A number of new training and job placement options have been announced but details remain sketchy. Please feel free to contact my office if you require any further information and I can send it on when more details become available.

The new initiatives include:

Community Employment (400 places)
10 week training courses (12,000 places)
20 week training courses (1,800 places)
Work Experience Scheme (2,000 places)
Pilot Scheme for Short Time Workers (277 places)
Education courses (7,000 places)

Rent Supplement

Several changes have been made to Rent Supplement. The maximum assistance with rent has been reduced by between 6% and 10% depending on family type. This restriction applies to new and existing tenants. It means that even tenants who have signed leases will have to seek a rent reduction from their landlord.

The minimum a person must now contribute to their rent has been increased from €18 to €24.

New rules will also mean people can't get rent supplement unless they are a tenant for longer than six months or they are on a housing waiting list.

Help with Bills and Debt

If you are struggling with bills, one useful service that might be able to help is the Money Advice and Budgeting Service. The contact numbers for our local services are as follows:

Ballymun: 8620059
N/side Civic Centre: 8674892
Finglas: 8642148
Swords: 8901102/6

Teenage Jobseekers

Jobseeker's Allowance is being reduced for most new claimants under 20 years of age to €100 per week.

The payment for a spouse or partner aged under 20 years will also be €100 per week. These reduced rates will not apply where a payment is received for a dependent child.

Where an under-20 takes up a full-time FAS course, certain Youthreach courses or certain other courses, then they will receive the full adult rate that applies to that course or scheme.

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The other local Labour representative in this area is **Cllr. John Lyons.**